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PTQ7157

RELEASED IN PART
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ACTION WHA-00

INFO	LOG-00	MFA-00	NP-00	AID-00	CEA-01	CIAE-00	CTME-00
	DINT-00	DODE-00	PERC-00	SRPP-00	DS-00	EB-00	EXIM-01
	E-00	VC-00	FRB-00	H-01	TEDE-00	INR-00	ITC-01
	LAB-01	L-00	VCE-00	AC-01	NSAE-00	OES-00	OMB-01
	OPIC-01	PA-00	PM-00	PRS-00	ACE-00	P-00	SP-00
	IRM-00	SSO-00	STR-00	TRSE-00	USIE-00	ASDS-00	EPAE-00
	PMB-00	DSCC-00	PRM-00	DRL-02	G-00	NFAT-00	SAS-00

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O 032015Z JAN 03
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC IMMEDIATE 9411
INFO DEPT OF COMMERCE WASHDC PRIORITY
DEPT OF ENERGY WASHDC PRIORITY
NSC WASHDC PRIORITY
OPEC COLLECTIVE
AMEMBASSY BOGOTA
AMEMBASSY BRASILIA
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY MEXICO
AMEMBASSY PORT OF SPAIN
AMEMBASSY QUITO
AMEMBASSY SANTIAGO

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NSC FOR LLORENS
ENERGY FOR D.PHUMPHREY, A.LOCKWOOD, M.BILLIG, AND B.MARCOIS
STATE PASS USAID FOR DCHA/OTI - R.ULLRICH AND R.PORTER

E.O. 12958: DECL: 01/03/2013
TAGS: EPET, PGOV, ASEC, VE
SUBJECT: VENEZUELAN OIL PRODUCTION: BATTLE OVER NUMBERS

CLASSIFIED BY: AMBASSADOR CHARLES S. SHAPIRO, REASONS 1.5 (B) AND (D)

SUMMARY

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1. (C) WHILE THE GOV CLAIMS THAT VENEZUELAN OIL PRODUCTION IS IN THE RANGE OF 600-700,000 BARRELS A DAY (B/D), THE PETROLEOS DE VENEZUELA (PDVSA) OPPOSITION AND OTHER INDUSTRY OBSERVERS ARE SKEPTICAL, PUTTING PRODUCTION BETWEEN 150,000 AND 500,000 B/D. THERE ARE SIGNS, HOWEVER, OF CONTINUED GOV EFFORTS TO GET THE INDUSTRY RUNNING AGAIN. END SUMMARY.

OIL PRODUCTION

2. (C) SENIOR GOV OFFICIALS CLAIM THAT CURRENT OIL PRODUCTION IS IN THE RANGE OF 600-700,000 B/D WITH EXPECTATIONS OF 1.2-2 MILLION B/D BY THE END OF JANUARY (OR SOONER). PDVSA PRESIDENT ALI RODRIGUEZ AND MINISTER OF ENERGY AND MINES RAFAEL RAMIREZ BOTH CITED THESE FIGURES IN RECENT INTERVIEWS WITH THE INTERNATIONAL PRESS AND PRESIDENT CHAVEZ, SPEAKING IN HIS DECEMBER 29 "ALO PRESIDENTE," ALSO REPEATED THEM.

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PDVSA OPPOSITION SPOKESMEN AS WELL AS OTHER INDUSTRY SOURCES DISPUTE THESE CLAIMS. ANECDOTAL AND OTHER INFORMATION LENDS CREDENCE TO LOW PRODUCTION FIGURES BUT ALSO TO PDVSA EFFORTS TO GET PRODUCTION STARTED AGAIN.

OIL SECTOR STATUS ACCORDING TO PDVSA OPPOSITION

3. (C) ACCORDING TO INFORMATION RECEIVED FROM THE PDVSA OPPOSITION GROUP &GENTE DE PETROLEOS (PETROLEUM PEOPLE), NATIONAL PRODUCTION ON DECEMBER 31 TOTALED 159,000 B/D. THIS GLOBAL FIGURE WAS BROKEN DOWN AS FOLLOWS: 120,000 B/D FROM THE WEST WITH 40,000 BARRELS COMING FROM PDVSA,S OWN PRODUCTION AND 80,000 BARRELS COMING FROM THIRD PARTY OPERATORS; 39,000 B/D FROM THE EAST WITH 19,000 BARRELS COMING FROM PDVSA,S FIELDS, 12,000 BARRELS FROM PDVSA GAS, ANACO OPERATIONS, AND 8,000 BARRELS FROM THIRD PARTY PRODUCTION.

4. (C) INTERESTINGLY, THE &GENTE DE PETROLEOS PRODUCTION REPORT FOR JANUARY 3 SAYS THAT PRODUCTION HAS RISEN TO 173,000 B/D. ACCORDING TO THIS REPORT, GLOBAL PRODUCTION FROM THE WEST AND EAST WAS STEADY AT 120,000 AND 38,000 BARRELS RESPECTIVELY BUT THE REPORT ADDED 15,000 BARRELS FROM THE SOUTH (BARINAS). THIS IS THE FIRST TIME IN SEVERAL WEEKS THAT THERE HAS BEEN ANY EVIDENCE OF PRODUCTION FROM BARINAS.

OTHER INDUSTRY SOURCES SPEAK UP

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6. (C) [REDACTED] INFORMED ECONOFF
THAT THE WOOD GROUP, WHICH HANDLES ALL WATER RE-INJECTION IN
LAKE MARACAIBO, IS NOT WORKING AND HAS NOT BEEN ASKED YET TO
RE-START INJECTION. ON THE OTHER HAND, [REDACTED]

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	PA-00	PM-00	PRS-00	ACE-00	P-00	SP-00	IRM-00
	SSO-00	STR-00	TRSE-00	USIE-00	EPAE-00	PMB-00	DSCC-00
	PRM-00	DRL-02	G-00	NFAT-00	SAS-00	/010W	

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C O N F I D E N T I A L SECTION 02 OF 02 CARACAS 000025

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THE GAS WOULD BE INJECTED INTO PDVSA,S SANTA BARBARA AND
PIRRITAL FIELDS.

7. (C) [] SAID [] LONG TERM PDVSA CONTACT HAD
SAID THAT PDVSA FACILITIES ARE A MESS8 AND THAT THE
COMPANY IS RELYING ON FOREIGN OPERATORS TO BRING ON AS MUCH
PRODUCTION AS POSSIBLE []

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GOV LOOKING FOR HELP

8. (C) IN OTHER NEWS, [] INFORMED
ECONOFF THAT BP AND CHEVRONTXACO HAVE BEEN APPROACHED BY
PDVSA WITH REQUESTS FOR TECHNICAL/OPERATIONAL ASSISTANCE IN
BRINGING PRODUCTION UP. [] SAID PDVSA HAS NOT APPROACHED
[] FOR ASSISTANCE YET. HE SPECULATED THAT BP AND
CHEVRONTXACO ARE OPERATING FIELDS CONTIGUOUS TO FIELDS PDVSA
WISHES TO GET INTO OPERATION. [] ADDED THAT, TO HIS
KNOWLEDGE, BOTH COMPANIES POLITELY DECLINED THE REQUESTS.

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9. (C) PDVSA IS SEEKING ASSISTANCE FROM AROUND THE WORLD.
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BESIDES THE RUMORS THAT OIL FIELD WORKERS ARE BEING RECRUITED

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FROM COLOMBIA AND BRAZIL AND THE EVER PRESENT RUMORS ABOUT
CUBANS, [REDACTED] TOLD ECONOFF THAT PDVSA
HAS BROUGHT AT LEAST TEN EXECUTIVES IN FROM THE ALGERIAN
STATE OIL COMPANY. ACCORDING TO THIS SOURCE, THE ALGERIANS
HAVE TAKEN UP RESIDENCE IN THE HILTON HOTEL AND ARE TRYING TO
RUN PDVSA,S TRADING OPERATION FOR THEM. THE PDVSA
OPPOSITION ALSO INFORMED ECONOFF THAT PDVSA IS TRYING TO
BRING U.S. COMPUTER GIANT HEWLETT PACKARD IN TO HELP THEM GET
CONTROL OF THE SYSTEM THAT CONTROLS ALL THE WELLS IN LAKE
MARACAIBO. INTERESTINGLY, THIS CONFIRMS A STATEMENT BY
[REDACTED] NOW WORKING CLOSELY WITH PDVSA PRESIDENT ALI
RODRIGUEZ, WHO SAID IN A DECEMBER 27 CONVERSATION WITH
ECONOFF THAT PDVSA HAS CONTACTED HEWLETT PACKARD TO REQUEST
ASSISTANCE.

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COMMENT

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SHAPIRO

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